

September 2017
Australian Competition and Consumer Commission

By Online Submission

RE: Response to the draft report: The new car retailing industry

The commissioner,

We welcome the preliminary findings detailed in the recent draft report into the new car retailing industry. We also acknowledge the considerations and comments outlined regarding our sector of the industry.

1. Recommendations Page xii;

'Consideration should be given to including options for relevant intermediaries to access technical information from car manufacturers on commercially fair and reasonable terms'.

2. Page 78 - 4.3.2

Impacts on commercial publishers of technical information and aftermarket diagnostic tool manufacturers

Overview

Autodata's business is creation of Service, Maintenance and Repair information for use in the aftermarket. Created from Vehicle Manufacturers original information in one consistent format that allows easy access and use for any workshop on any make or model. Our primary product is made available under subscription, which provides workshops with login credentials to an online portal. The user simply selects the information they require from a variety of categories, such as (but not limited to) wiring diagrams, service schedules and tightening torque specifications.

Corporate users also consume portions of our data and integrate it with their own products, this simply would not be possible with so many different formats and styles from the various manufacturers. A typical example is parts companies and the integration with their catalogs. Being able to provide portions of the data to the aftermarket is critical to its future. It allows companies that require data to create innovative products to service the aftermarket in a way that is competitive with dealerships.

Cost of data

Australia has over 60 different vehicle brands in the market. Independent workshops can only operate and support the wider economy, if they are able to service and repair the clear majority of these. Being able to do this requires technical information at a cost that is sustainable to the independent workshop. This ensures market competitiveness and avoids unnecessary high data costs being passed onto the consumer.

The cost of an annual Autodata subscription equates to less than subscribing to a single manufacturer over the same period. This is of course if the manufacturer has made the information available in the first place. Subscribing to only half of the manufacturers would be a completely unsustainable cost for the great majority of independent workshops.

This illustrates the absolute need for third party publishers to be part of the overall directive in the supply of technical information from car manufacturers.

Service and Warranty

A steady trend has commenced where manufactures are starting to provide less information on the ongoing servicing requirements with the sale and handover of a new vehicle. These requirements are mandatory to maintain a vehicles warranty. The information is becoming available online and only to the dealerships. Third party publishers provide this information to the aftermarket allowing the consumer to have their vehicles serviced at a repairer of their choice.

Overseas

Autodata Ltd (our parent company based in the UK) and Autodata Publishing Group (a subsidiary of Autodata UK, based in the USA) have both experienced a similar study into the car retailing industry in each of their respective countries. The result was a clear provision for third party publishers where the manufacturers must make the information available for reproduction at a fair and commercially viable cost. In Europe this has taken the form of legislation to ensure a ‘free and open market’ and allow competition, these arrangements have been in place for many years now and are proving to be successful.

Additionally, Autodata Ltd as a responsible publisher, is a founder member of the European Automotive Data Publishers Association, whose role is to work with the European Commission and Vehicle Manufacturers to ensure all parties including publishers take a responsible approach to information access.

Summary

The majority, if not all workshops will have access to and regularly use data from a third-party supplier. Whether it is an online portal, scan tool, parts catalog, or wheel alignment machine, they all carry data which needs to be regularly updated. The supply of data to the aftermarket is paramount in allowing it to be competitive and providing the consumer with a confident option when having their car serviced or repaired. This is of critical importance in areas of our country where a vehicle manufacturers approved workshop is many hundreds of KMs away.

Third party providers fill this need to various degrees depending on their relationship with each manufacturer. Our request is to include a clear provision that allows the access to technical information to publishers on fair and reasonable terms.

Brett Engeman
Managing Director
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